

Department of Natural Resources

Introduction

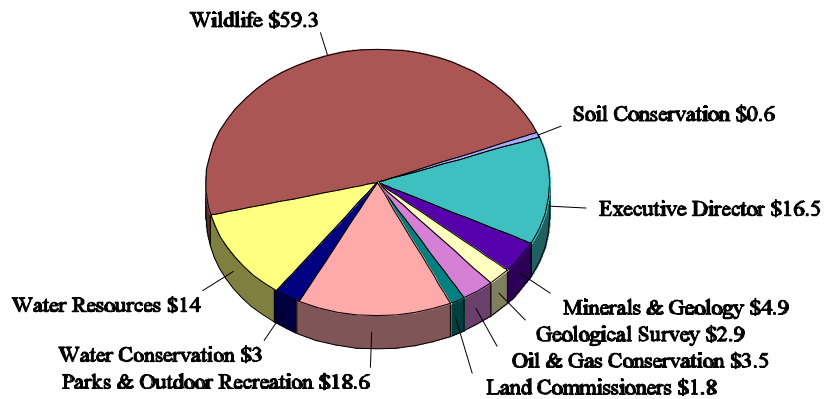
The Department of Natural Resources is responsible for encouraging the development of the State's natural resources. Resources include land, wildlife, outdoor recreation, water, energy, and minerals. The Department operates under the authority of Section 24-1-124, C.R.S., and is composed of an Executive Director's Office and the following nine divisions:

- Wildlife
- Water Resources
- State Board of Land Commissioners
- Soil Conservation Board
- Parks and Outdoor Recreation
- Oil and Gas Conservation Commission
- Minerals and Geology
- Colorado Water Conservation Board
- Colorado Geological Survey

The Department's Fiscal Year 1997 operating budget was about \$125 million with 1,422.4 FTE. The majority of the Department's funding comes from various cash funds, including hunting, fishing, and other licenses, royalties and rents, interest, and other sources. The following graph shows the breakdown of funds appropriated for the Fiscal Year 1997 operating budget by division, board, and commission.

Budget by Division/Board/Commission

(In Millions)



Source: State of Colorado Joint Budget Committee Fiscal Year 1997-98 Appropriations Report.

Improve Timeliness of Filing of Federal Financial Reports

The Department administers approximately 200 federal grants each year. Expenditures for these grants totaled more than \$15 million during the fiscal year ended June 30, 1997. Federal agencies require the submission of financial status reports quarterly, annually, or at other specified time intervals depending on the grant. Usually these reports are due 30 or 90 days after the end of the reporting period, as stipulated in the terms of the grant.

During our test of federal financial reports, we found that financial status reports for 5 of the 25 grants tested were filed after the due date specified in the grant agreement. Three of the past due reports were late by 22 days to 4 months. The other two were late in excess of one and three years, respectively. We noted a similar number of late submissions in the prior year. Lack of compliance with grant requirements could result in the delay or loss of future federal funds. Receipt of federal reimbursements

could also be delayed until the reports are filed, reducing the amount of state funds available for other projects or investment.

In response to this problem, the Department developed and is implementing a centralized report tracking database system for federal grants. This system generates a listing of reports due during a particular month to aid in the preparation and submission of financial reports in a timely manner. The system is operational and the new grant accountant has been reviewing all information entered onto the system for completeness and accuracy.

Recommendation No. 12:

The Department of Natural Resources should complete the review and correction of information on the report tracking system by December 31, 1998, to ensure that schedules generated by the system contain correct due dates.

Department of Natural Resources Response:

Agree. The new grant database continues to be developed and implemented during Fiscal Year 1998. This database provides for more accurate and timely monitoring of grant reporting and billing activities. However, several older grants which were awarded in prior years must still be individually researched in order to verify the exact status of the grant and make necessary corrections. As these older grants expire and are closed out, the time required to research problem areas will substantially decrease. All information on new grant awards is verified as it is entered in the database.

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